

Message Text

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61

ACTION ARA-20

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 IGA-02 RSR-01 /154 W

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R 310014Z AUG 73

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 7728

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

UNCLAS MEXICO 6486

E.O. 11652: N/A

TAGS: EGEN, GATT, MX

SUBJ: ANDEAN PACT - MEXICAN SEMINAR OPENS TO FURTHER
EFFORTS ECONOMIC UNITY

1. AMID INDICATIONS THAT 'CECLA' MEETING AUGUST 22-24
BRASILIA FAILED PRODUCE STRONG UNIFIED FRONT FOR UP-
COMING TOKYO 'GATT' TALKS (MEXICO 6381), AND ANDEAN PACT-
MEXICAN SEMINAR WAS OPENED HERE BY LIC. CARLOS TORRES
MANZO, SECRETARY OF INDUSTRY AND COMMERCE (IN
LIEU OF PRESIDENT ECHEVERRIA.)

2. REPRESENTATIVES BUSINESSES AND GOVERNMENTS BOLIVIA,
COLOMBIA, CHILE, ECUADOR, PERU, VENEZUELA AND MEXICO ARE
IN ATTENDANCE FOR WEEK-LONG SERIES PRESENTATIONS AND
DISCUSSIONS ECONOMIC RELATIONS MEXICO AND ANDEAN PACT
NATIONS AS RESULT ANDEAN-MEXICAN MIXED COMMISSION
ESTABLISHED OCTOBER 7, 1972. HIGHLIGHTED ARE METALS
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INDUSTRY, FOREIGN INVESTMENT, TRANSFER OF TECHNOLOGY

AND MULTINATIONAL CORPORATIONS, WITH GENERAL OBJECTIVES OF EXAMINING RECIPROCAL COMMERCE, JOINT INVESTMENT OPPORTUNITIES AND TECHNOLOGICAL COOPERATION.

3. MEXICO CITY DAILIES GAVE AMPLE COVERAGE OPENING REMARKS. TORRES MANZO NOTED THAT MEETINGS OF THIS TYPE ARE THE BEST WAY DISCUSS POLICIES TO GUIDE FUTURE LA INTEGRATION AND THAT LA COUNTRIES MUST ASK SELVES SERIOUSLY IF PREPARED MEET THE TESTS AHEAD IN FUTURE YEARS. HE QUOTED SAYING "WE HAVE PRACTICALLY NO INFLUENCE OVER THE GREAT INTERNATIONAL CORPORATIONS AND WE SUFFER AS A RESULT OF THEIR ACTIONS. THE SOLUTIONS OF INDUSTRIALIZED COUNTRIES TO THEIR OWN PROBLEMS AND ESPECIALLY TO THE OBSTACLES WHICH HINDER THEIR OWN COMMERCE RELEGATE OUR COUNTRIES TO A MARGINAL ROLE, PERHAPS THAT OF MERE SPECTATORS. WE MUST INITIATE A COMMON FORCE TO ESTABLISH FIRMS SUBSTANTIALLY GREATER THAN THOSE EXISTING IN OUR COUNTRIES AND STIMULATE ALL MEANS OF DEVELOPMENT OF SCIENTIFIC INVESTIGATION AND TECHNOLOGY."

4. GEN. LUIS BARANDIARAN PAGADOR, PRESIDENT CARTAGENA PACT COMMISSION, ADDED THAT ONLY THE STRENGTHENING OF LA TIES "WOULD MAKE IT POSSIBLE TO BANISH FOREVER ALL FORMS OF NEOCOLONIALISM AND CREATE A NEW AND AUTHENTICALLY FREE SOCIETY."

5. LATER DISCUSSIONS FOREIGN INVESTMENT RANGED FROM THAT OF MEXICO'S UNDER SECRETARY OF FOREIGN RELATIONS LIC. RUBEN GONZALEZ SOSA REPORTED STATEMENT "WE WANT AND DESIRE DIRECT FOREIGN INVESTMENT, BUT IT MUST COINCIDE WITH THE PUBLIC INTEREST," TO BOLIVIA'S DR. GUSTAVO FERNANDEZ SAAVEDRA SAYING "THE REGULATION OF FOREIGN INVESTMENT IS NOT LIMITED TO THE CORRECTION OF INCOVENIENT PRACTICES....BUT AS A FIRST STEP TO PLACE THE CONTROL OF THE DECISIONS IN THE BASIC SECTORS OF THE ECONOMY IN NATIONAL HANDS....THE SYSTEM OF TRANSFORMATION OF A FOREIGN FIRM INTO A MIXED FIRM AS SET UP UNDER THE LAW OF THE ANDEAN PACT CONSISTS IN PROGRESSIVELY TRANSFERRING THE CONTROL OF THE FIRMS TO THE HANDS OF NATIONAL INVESTORS...
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THIS TRANSFORMATION WILL TAKE FROM 15 TO 20 YEARS AND WILL GIVE 51 PERCENT OF THE SHARES AND THE TECHNICAL, ADMINISTRATIVE, FINANCIAL AND COMMERCIAL DIRECTION TO THE NATIONALS."

6. LIC. GERARDO BUENO ZIRION, DIRECTOR GENERAL OF THE NATIONAL COUNCIL OF SCIENCE AND TECHNOLOGY, REPORTEDLY SAID CONCENTRATION OF FORCES IN SCIENCE AND TECHNOLOGY

SHOULD BE KEYSTONE LA INTEGRATION. HE OUTLINED FOUR
CURRENT PROBLEMS TECHNOLOGY TRANSFER: (1) IMPORTATION
TECHNOLOGY INADEQUATE FOR NATIONAL ECONOMIC CONDITIONS;
(2) LACK MACROECONOMIC CRITERIA TO REGULATE THEIR
IMPORTATION; (3) GROWTH OF DEMAND WHICH UPSETS
BALANCE OF PAYMENTS; AND (4) FAILURE PATENTS AND
TRADEMARKS STIMULATE NATIONAL PRODUCTIVE ACTIVITY.
MCBRIDE

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NNN

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